

AMENDED IN SENATE JANUARY 4, 2010

AMENDED IN SENATE AUGUST 17, 2009

AMENDED IN SENATE JULY 14, 2009

AMENDED IN ASSEMBLY MAY 14, 2009

AMENDED IN ASSEMBLY MAY 6, 2009

AMENDED IN ASSEMBLY APRIL 27, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 7

Introduced by Assembly Member ~~Krekorian~~ *Huffman*

December 1, 2008

An act to amend Sections 84506 and 84508 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 7, as amended, ~~Krekorian~~ *Huffman*. Political Reform Act of 1974.

(1) The Political Reform Act of 1974 requires a broadcast or mass mailing advertisement supporting or opposing a candidate or ballot measure, if paid for by an independent expenditure, to include a disclosure statement that identifies the name of the committee making the independent expenditure and the names of the persons from whom the committee making the independent expenditure has received its 2 highest cumulative contributions of \$50,000 or more during the 12-month period prior to the expenditure. However, if the committee is able to show that contributions from those 2 highest cumulative contributions were spent for other purposes, then the act requires the committee to disclose the names of the contributors making the next

largest cumulative contributions of \$50,000 or more. A violation of the act is subject to criminal penalties.

The bill would require, with specified exceptions, a broadcast or mass mailing advertisement supporting or opposing a candidate or ballot measure that is paid for by an independent expenditure to include a statement or phrase that clearly identifies the economic or other special interest of the major donors of \$50,000 or more, listing the economic or other special interest in descending order based on the amount of contributions made by the respective donor to the committee, except for a general interest committee. The bill would also require a committee that files electronically with the Secretary of State to list the Secretary of State's Internet Web site in its disclosure statement. A committee not required to file electronically would be required to disclose the Uniform Resource Locator for its Internet Web site and to list the committee's principal officer and specified information regarding each donor to the committee who contributed at least \$100.

(2) Existing law makes a violation of the act subject to administrative, civil, and criminal penalties.

The bill would impose a state-mandated local program by placing these penalties on persons who violate the bill.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(4) The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 84506 of the Government Code is
- 2 amended to read:
- 3 84506. (a) A broadcast or mass mailing advertisement,
- 4 including a radio advertisement, supporting or opposing a candidate
- 5 or ballot measure, that is paid for by an independent expenditure,

1 shall include a disclosure statement that ~~identifies~~ *contains* all of
2 the following:

3 (1) The name of the committee making the independent
4 expenditure.

5 (2) The names of the persons from whom the committee making
6 the independent expenditure has received its two highest
7 cumulative contributions of fifty thousand dollars (\$50,000) or
8 more during the 12-month period prior to the expenditure. If the
9 committee can show, on the basis that contributions are spent in
10 the order they are received, that contributions received from the
11 two donors who made the highest cumulative contributions of fifty
12 thousand dollars (\$50,000) or more to the committee have been
13 used for expenditures unrelated to the candidate or ballot measure
14 featured in the communication, the committee shall disclose the
15 contributors making the next largest cumulative contributions of
16 fifty thousand dollars (\$50,000) or more.

17 (3) A statement or phrase that clearly identifies the economic
18 or other special interest of the major donors of fifty thousand
19 dollars (\$50,000) or more. If any of those donors is a committee
20 other than a candidate-controlled committee, the donor shall be
21 identified by the economic or other special interest who made the
22 highest cumulative contributions of fifty thousand dollars (\$50,000)
23 or more to that committee. The statement or phrase shall list each
24 economic or other special interest in descending order based on
25 the amount of the contributions made by the respective donor to
26 the committee. The requirements of this paragraph do not apply
27 to a general purpose committee.

28 (4) The Uniform Resource Locator for an Internet Web site that
29 lists the committee's principal officer and information about each
30 donor to the committee who has contributed a cumulative amount
31 of one hundred dollars (\$100) or more. For a committee filing
32 electronically with the Secretary of State, the disclosure statement
33 shall list "www.sos.ca.gov" as the Uniform Resource Locator. For
34 a committee that is not required to file electronically with the
35 Secretary of State, the statement shall include a Uniform Resource
36 Locator for an Internet Web site address that lists the committee's
37 principal officer and the following information about each donor
38 who has contributed a cumulative amount of one hundred dollars
39 (\$100) or more to the committee making the independent
40 expenditure: name of the donor, payment type, city and state,

1 contribution amount, transaction date, and filing date. The Internet
2 Web site shall be updated to reflect filing updates. If the local
3 agency with which the committee files does not maintain an
4 Internet Web site with the donor information, the committee shall
5 create one. The requirements of this paragraph do not apply to
6 radio advertisements.

7 (b) If an acronym is used to identify any committee names
8 required by this section, the names of any sponsoring organization
9 of the committee shall be printed on print advertisements or spoken
10 in broadcast advertisements.

11 SEC. 2. Section 84508 of the Government Code is amended
12 to read:

13 84508. If disclosure of two major donors is required by Sections
14 84503 and 84506, the committee shall be required to disclose, in
15 addition to the committee name, only its highest major contributor
16 in any advertisement that is any of the following:

17 (a) An electronic broadcast of 15 seconds or less.

18 (b) A radio broadcast of 30 seconds or less.

19 (c) A newspaper, magazine, or other public print media
20 advertisement that is 20 square inches or less.

21 SEC. 3. No reimbursement is required by this act pursuant to
22 Section 6 of Article XIII B of the California Constitution because
23 the only costs that may be incurred by a local agency or school
24 district will be incurred because this act creates a new crime or
25 infraction, eliminates a crime or infraction, or changes the penalty
26 for a crime or infraction, within the meaning of Section 17556 of
27 the Government Code, or changes the definition of a crime within
28 the meaning of Section 6 of Article XIII B of the California
29 Constitution.

30 SEC. 4. The Legislature finds and declares that this bill furthers
31 the purposes of the Political Reform Act of 1974 within the
32 meaning of subdivision (a) of Section 81012 of the Government
33 Code.